



## Recent Tax Code Changes that May Affect Cigarette, Cigar and/or Tobacco Products Manufacturers, Importers, Distributors, Bonded Agents, Wholesalers and Retailers

Article 4 in Senate Bill 1, enacted by the 82nd Texas Legislature in the First Called Session in June 2011 amended the Tax Code, Chapters 154 and 155, Sections 154.209 (a) and 155.110 (a) to require each permit holder to maintain certain records related to their tobacco business for longer than four years.

Effective Oct. 1, 2011, permit holders are required to keep their records open for inspection for at least four years, and with respect to records related to a permit holder's claim, longer than four years during any period when tax, penalty or interest may be assessed, collected or refunded by the Comptroller

or while an administrative hearing or judicial proceeding is pending. Section 111.0041 of the Tax Code was also amended to require permit holders to produce contemporaneous records and supporting documentation for transactions in question to enable verification of claims related to the amounts of tax, penalty or interest to be assessed, collected or refunded in an administrative hearing or judicial proceeding. The amendment gives examples of what may constitute contemporaneous records and supporting documentation.

